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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

In the Matter of:

Burnt Prairie Post Office
Burnt Prairie, Illinois

Docket No. A2011-67

UNITED STATES POSTAL SERVICE <u>COMMENTS REGARDING APPEAL</u> (October 24, 2011)

On September 8, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked August 27, 2011, from postal customer Steven L. Whetstone (Petitioner) objecting to the discontinuance of the Post Office at Burnt Prairie. On September 13, 2011, the Commission issued Order No. 851, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 851, the administrative record was filed with the Commission on September 23, 2011. The Petitioner filed a Form 61 with attachments in support of the petition on October 11, 2011. The Commission received no additional written communications from any other customers of the Burnt Prairie Post Office.

The appeal received by the Commission on September 8, 2011, raises three main issues: (1) impact on effective and regular postal services to the community, 2) the effect of the closing on the community, and 3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent, the Postal Service gave consideration to a number of other

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¹ <u>See</u> 39 U.S.C. 404(d)(2)(A).

issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Burnt Prairie Post Office should be affirmed.

Background

The Final Determination To Close the Burnt Prairie, Illinois Post Office and Extend Service by Rural Route Service (FD), see Item 47², as well as the administrative record, indicate that the Burnt Prairie Post Office provides EAS-55 level service to 19 Post Office Box customers, 76 rural delivery customers, and approximately 13 retail customers for approximately 14 minutes per day. Item 47, FD at 2, 9; Item 8, (Form 150) Postmaster Workload Information; Item 10, Window Transaction Survey; Item 13, OIC Response to Request for numbers; Item 18, Form 4920, Post Office Closing or Consolidation Proposal Fact Sheet (Fact Sheet); Item 42, Revised Fact Sheet. The postmaster of the Burnt Prairie Post Office retired on September 30, 2007. Item 47, FD at 2, 7; Item 18, Fact Sheet; Item 42, Revised Fact Sheet. Since then a non-career employee was installed as the temporary officer-in-charge (OIC). Item 47, FD at 2, 7. Upon implementation of the final determination, the noncareer employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby postal facility. Item 47, FD at 7, 9. The average number of daily retail window transactions at the Burnt Prairie Post Office is thirteen, accounting for approximately fourteen minutes of work. Item 47, FD at 2, 9; Item 10, Window Transaction Survey. Revenue has generally been low: \$8,890.00 in FY 2008 (23 revenue units); \$8,057.00 in FY 2009 (21 revenue units); and \$9,123.00 in FY 2010 (24 revenue units). Item 47, FD at 2; Item 18, Fact Sheet; Item 42, Revised Fact Sheet.

² In these comments, specific items in the administrative record are referred to as "Item ____."

The Burnt Prairie Post Office has no meter or permit customers. Item 47, FD at 2; Item 15, Post Office Survey Sheet at No. 6; Item 18, Fact Sheet at boxes 14. f., g; Item 42, Revised Fact Sheet. The projected annual household growth rate is -0.46%. Item 16, Community Survey Sheet. The Postal Service estimates annual savings through closure of the Burnt Prairie Post Office in the amount of \$32,464. Item 47, FD at 8; Item 41, Revised Proposal at 9. This includes savings that will be achieved through exercising the thirty-day termination right in the Lease for the premises. Item 47, FD at 8; Item 15, Post Office Survey Sheet; Item 33, Proposal at 7; Item 41, Revised Proposal at 9.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Mill Shoals Post Office, an EAS-11 level office located approximately five miles away, which has eighty-one available Post Office Boxes. Item 47, FD at 2, 9; Item No. 18, Fact Sheet at box 19; Item 33, Proposal at 2, 7; Item 41, Revised Proposal at 2, 9. Customers will receive delivery to rural boxes or cluster box units (CBUs) at their 911 assigned address. Item 47, FD at 4; Item 33, Proposal at 4; Item 41, Revised Proposal at 4. This service will begin upon implementation of the FD. Item 47, FD at 2, 9.

The Postal Service followed the proper procedures, which led to the posting of the FD. All issues raised by the customers of the Burnt Prairie Post Office were considered and properly addressed by the Postal Service. <u>See</u> Item 47, FD at 2-7. The Postal Service complied with all notice requirements. In addition to the posting of the

³ The initial Proposal estimated annual savings in the amount of \$41,536. <u>See</u> Item 33 at 7. This amount was adjusted in the Revised Proposal and FD to reflect the minimum salary and benefits that a permanent postmaster would be entitled to receive, rather than the mid-range amount used in the initial Proposal estimate. See Item 41, Revised Proposal at 9; Item 47, FD at 9.

Proposal and FD, customers received notice through other means. First of all, notice and questionnaires were distributed to delivery customers of the Burnt Prairie Post Office. Item 47, FD at 2: Item 20, Letter to OIC: Item 21, Letter and Questionnaire to Customer; Item No. 22, Returned Questionnaires. Questionnaires were also available over the counter for retail customers at Burnt Prairie. Item 47, FD at 2; Item No. 20, Letter to OIC. In a letter from the Manager of Post Office Operations, St. Louis, MO, which was also mailed and made available to postal customers, customers were advised that the Postal Service was evaluating whether the continued operation of the Burnt Prairie Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Mill Shoals Post Office. Item 21, Letter. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service that they were receiving and the effects of a possible change involving rural route delivery. Id. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item 22.

In addition, representatives from the Postal Service were available at the Burnt Prairie Post Office for a community meeting on April 28, 2011, to answer questions and provide information to customers. Item 47, FD at 2; Item 18, Fact Sheet; Item 26, Letter to Customer; Item 21 at 6, Revised Letter to Customers; Item 24, Community Meeting Roster; Item 25, Community Meeting Analysis; Item 33, Proposal at 2.; Item 41, Revised Proposal at 2; Item 42, Revised Fact Sheet. Customers received formal notice of the Proposal and FD through postings at nearby facilities. Item 31, Letter to OIC on posting Proposal; Item 36, Round-date stamped Proposal; Item 48, Letter to OIC on

posting FD; Item 49, Round-date stamped FD cover sheets. The Proposal was posted with an invitation for public comment at the Burnt Prairie Post Office and the Mill Shoals Post Office from May 18, 2011 to July 19, 2011. Item 47, FD at 2; Item No. 36. The FD was posted at the same two Post Offices starting from August 20, 2011 to September 21, 2001, as confirmed by the round-dated FD cover sheets that appear in the administrative record. Item 48, Letter to OIC on posting FD; Item 49, Round-date stamped FD cover sheets.

In light of the facts that were discovered during the investigation and which are cited above, including the postmaster vacancy, minimal workload, low office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service), very little recent growth in the area, minimal impact upon the community, and the expected financial savings, the Postal Service issued the FD, concluding that the Burnt Prairie Post Office would be closed. See Item 47, FD. Regular and effective postal services will continue to be provided to the Burnt Prairie community in a cost-effective manner upon implementation of the final determination. Item 47, FD at 2, 9.

Each of the issues raised by the Petitioner is addressed in the paragraphs that follow.

Procedural Matters

In his Participant Statement, Petitioner suggests that the Postal Service made a procedural error by failing to give proper notification of the location and time of the required public meeting. As noted on several occasions in the record, the notice regarding the community meeting was corrected and distributed to customers the following day. Item 47, FD at 2 (Concern 3); Item 21 at 6, Revised Letter to Customers;

Item 33, Proposal at 2 (Concern 3); and Item 41, Revised Proposal at 2 (Concern 3). In addition, the notice with the time, date, and location was posted in the Post Office lobby.

Id. Moreover, the evidence shows that thirty customers, including Petitioner, were in fact present at the Community Meeting on April 28, 2011, and as such, had notice of the time, date, and location of the meeting and were given the opportunity to participate.

See Item 24, Community Meeting Roster.

A review of the administrative record demonstrates that the Postal Service followed the proper procedures, allowed sufficient time and opportunity for community input, both in a live meeting and through acceptance of written comments and questionnaire responses, and gave careful consideration of the relevant information. As such, the proper procedures were followed in this discontinuance action.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Burnt Prairie Post Office on postal services provided to Burnt Prairie, Illinois customers. The closing is premised upon providing regular and effective postal services to Burnt Prairie customers.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Burnt Prairie Post Office's closing, noting the convenience of the Burnt Prairie Post Office and requesting its retention. The Petitioner expresses particular concern about shipping outgoing packages, including international packages and the effect of the closing of the Burnt Prairie Post Office on the shipping of packages from his business.

In the Proposal and FD, the Postal Service explained that upon the discontinuance of the Burnt Prairie Post Office, customers will be provided with curbside delivery to rural boxes or CBUs at the customers' 911 assigned address. Item 47, FD at 2-4, 9; Item 33, Proposal at 2-4, 7; and Item 41, Revised Proposal at 2-4, 9. Moreover, the Postal Service explained that services provided at the post office will be available from the carrier, so that customers will not have to travel to another post office for service. Id. Most transactions do not require meeting the carrier at the mailbox. Id. For example, special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be handled by the carrier by leaving a note in the mailbox, along with the appropriate payment. <u>Id.</u> The carrier will provide the services that day and leave a customer receipt in the mailbox on the next delivery day. Id. Customers may also print their own postage (often for discounted rates) with tracking and insurance at usps.com, and have the carrier pick up the packages or other items. In addition, Stamps by Mail and Money Order Application forms are available for customer convenience. Id. Through the Stamps by Mail program, customers have the ability to purchase stamps (including commemorative and collectibles), envelopes and postal cards by addressing the postage paid order form, enclosing payment by personal check or money order, and mailing it or leaving it in their mailbox for carrier pick up. Id. Most Stamp by Mail orders are processed overnight, and some are processed immediately. Id.

Moreover, the customers of Burnt Prairie will have access to the Mill Shoals Post Office, which is located approximately five miles away, if they prefer to conduct their postal business in person at a post office. Item 47, FD at 2, 9; Item 33, Proposal at 2, 7;

and Item 41, Revised Proposal at 2, 9. In his Participant Statement, Petitioner raises the concern that the Mill Shoals Post Office is under review for possible closure. In support of this argument. Petitioner attaches what purports to be a newspaper article. although the name of the publication and the date of the article are not apparent. Nevertheless, what is significant is that at this time, while a community meeting may have been held regarding the Mill Shoals Post Office, there has been no written proposal to close that location. The Mill Shoals Post Office is simply one of the many postal locations that it being studied. In addition, if a proposal were to be made to close the Mill Shoals Post Office at a future time, the customers of the Burnt Prairie Post Office would be given notice and an opportunity to comment on that closing before a final determination would be made. Therefore, because the Mill Shoals Post Office is still operating and because the customers of Burnt Prairie will also have access to many, if not all, postal services through the rural carrier if the Burnt Prairie Post Office is closed, the effective provision of postal services to the Burnt Prairie customers will not be significantly impacted.

The Petitioner, in his letter of appeal, also raises the issue of the effect on postal services of the Burnt Prairie Post Office's closing, questioning how his incoming mail will be delivered upon the closing of the Burnt Prairie Post Office. The Petitioner expresses particular concern about not being able to have the rural route carrier come to his home or business. This concern was considered by the Postal Service.

In the Proposal and FD, the Postal Service explained that although previously these customers may not have had the right to rural delivery service, upon the discontinuance of the Burnt Prairie Post Office, customers will be provided with curbside

delivery to rural boxes or CBUs at the customers' 911 assigned address. Item 47, FD at 2-4, 9; Item 33, Proposal at 2-4, 7; and Item 41, Revised Proposal at 2-4, 9. In addition, as explained in the FD, if the customer lives less than one-half mile from the line of travel, the carrier will attempt delivery of accountable items and large parcels to the customer's residence. Item 47, FD at 5. If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox. <u>Id.</u> Large parcels will be left outside the mailbox or at a location designated by the customer (if authorized by the customer), or a notice will be left in the mailbox. <u>Id.</u> Attempted delivery items will be taken back to the Post Office. <u>Id.</u> Customers may pick up the item at the Post Office or request redelivery online at usps.com or by calling 1-800-ASK-USPS. Id.

The Petitioner, in his letter of appeal, further raises the issue of the effect on postal services of the Burnt Prairie Post Office's closing, questioning the security of his incoming mail and packages upon the closing of the Burnt Prairie Post Office. The Petitioner expresses particular concern about packages valued over \$500.00 being left in a Mail Box beside the street. This concern was considered by the Postal Service.

In the Proposal and FD, the Postal Service explained that upon the discontinuance of the Burnt Prairie Post Office, customers will be provided with curbside delivery to rural boxes or cluster box units (CBUs) at the customers' 911 assigned address. Item 47, FD at 2-4, 9; Item 33, Proposal at 2-4, 7; and Item 41, Revised Proposal at 2-4, 9. Customers were advised that they may lock their mailboxes so long as the mailbox has a slot large enough to accommodate the customers' normal daily mail volume. Item 47, FD at 7; Item 33, Proposal at 6; Item 41, Revised Proposal at 8.

In addition, CBUs provide the security of individually locked mail compartments and parcel lockers provide secure, convenient parcel delivery for customers. If CBUs are installed, the Postal Service will maintain them. Moreover, while there are currently 76 customers receiving rural delivery in the area, the records of the Postal Inspection Service do not indicate any reports of mail theft or vandalism. Item 14, Response to Request for reports of mail theft or vandalism. As such, there appears to be minimal risk that the security of the customers' mail will be impacted by the closing of the Burnt Prairie Post Office.

To summarize, the Postal Service has considered the impact of closing the Burnt Prairie Post Office upon the provision of postal services, including the mailing of outgoing packages and the deliver and security of incoming mail, on Burnt Prairie customers. Customers will be able to use usps.com to print postage, prepare packages for mailing, and schedule carrier pick-up. In addition, customers will be able to leave outgoing mail and packages in their rural route box or CBU, or meet the rural carrier at the box to transact their business. Further, customers will have access to the nearby Mill Shoals Post Office if they prefer to transact their package business in person. Similarly, customers will receive incoming mail at a rural mailbox or CBU, both of which provide a secure receptacle for mail delivery. As a result, the Postal Service has properly concluded that all Burnt Prairie customers will continue to receive regular and effective service, including for outgoing packages and incoming mail, via rural route delivery and nearby Post Office locations upon the closure of the Burnt Prairie Post Office.

Effect upon the Burnt Prairie Community

The Postal Service is obligated to consider the effect of its decision to close the Burnt Prairie Post Office upon the Burnt Prairie community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Burnt Prairie is an unincorporated community located in White County, Illinois. Item 47, FD at 5. The community is administered politically by the Burnt Prairie Village Board. <u>Id.</u> Police protection is provided by the White County Sheriff. <u>Id.</u> Fire protection is provided by the Fairfield Rural Fire Protection district. <u>Id.</u> The community is comprised of farmers, retirees, and those who commute to work at nearby communities and may work in local businesses. <u>Id.</u> The questionnaires completed by Burnt Prairie Post Office customers indicate that, in general, those who reside in Burnt Prairie must travel elsewhere for other supplies and services. <u>See generally</u> Item 22, Returned customer questionnaires.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Burnt Prairie Post Office upon his e-commerce business. The effect on the business community generally was considered by the Postal Service, as reflected in the administrative record. Item 47, FD, at 6-7. The Postal Service acknowledged that while businesses require regular and effective postal services, such services will always be provided to the community, whether through the rural carrier or the neighboring Post Office. Id. The Postal Service further explained that a community's identity derives

from the interest and vitality of its residents and their use of its name. <u>Id.</u> The Postal Service is helping to preserve this community's identity by continuing to use the Post Office name in addresses and in the National Five-Digit Code and Post Office Directory. <u>Id.</u>

In addition, the Postal Service has concluded that nonpostal services provided by the Burnt Prairie Post Office can be provided by the Mill Shoals Post Office. <u>Id.</u> Government forms usually provided by the Post Office are also available by contacting local government agencies. Item 47, FD at 6.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Burnt Prairie Post Office on the community currently served by the Burnt Prairie Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Burnt Prairie Post Office and would still provide regular and effective service. Item 47, FD at 8-9. The estimated annual savings associated with discontinuing the Burnt Prairie Post Office are \$32,464.00. Item 47, FD at 8.

In the Participant Statement, Petitioner points to an increase in revenue at the Burnt Prairie Post Office from 2009 to 2010, and suggests that prudent business practices would allow for a projection of additional revenue from two new businesses for 2011. In addition, Petitioner disputes the use of the Postmaster salary in calculating the

cost savings since the person who has been operating the Burnt Prairie Post Office for the last several years is not in fact a Postmaster, but rather is a Rural Letter Carrier who receives no fringe benefits. Finally, Petitioner claims that the Postal Service failed to properly calculate the cost of the proposed replacement service by failing to take into account increased mileage or change in the delivery route to provide service to the additional 19 homes and businesses.

With respect to the estimated salary and fringe benefit costs, the Postal Service used the minimum salary and benefit cost for a career postmaster based on the fact that if this discontinuance action were not being undertaken, a career postmaster would have eventually been assigned to the currently vacant position. As a result, it was appropriate to use the labor cost savings for a full-time, career employee, rather than the non-career employee temporarily assigned to this Post Office.

With respect to the calculation of the proposed cost of replacement service, the Postal Service did make a proper evaluation of such cost. There are currently 76 customers in Burnt Prairie who already receive their incoming mail through rural delivery. As such, potentially adding the current 19 Post Office Box customers to the rural delivery route will not necessarily result in a significant increase in mileage or fuel costs since the rural carrier already travels there. Accordingly, the Postal Service considered the costs associated with adding 19 centralized boxes to the current rural route, which costs mainly derive from an increase in the rural carrier's daily time. Item 17, Estimated Cost for Alternative Replacement Service. From this, the Postal Service calculated the annual cost by multiplying the increased time by the rural cost per hour to determine the cost for the replacement service. Id. This amount was subtracted from

the estimated savings items to arrive at the overall annual savings that are expected. Item 47, FD at 8; Item 41, Revised Proposal at 9.

Finally, with respect to the possibility of future revenue growth, even if Petitioner had provided support for his projection that revenue will continue to grow in 2011, it is unlikely that any such growth would be significant. Revenue fell from \$8,890.00 in FY 2008 to \$8,057.00 in FY 2009, for a net difference of -\$833.00. Item 47, FD at 2; Item 18, Fact Sheet; Item 42, Revised Fact Sheet. Revenue then increased from \$8,057.00 in FY 2009 to \$9,123.00 in FY 2010, for a net difference of \$1,066. Id. These fluctuations in revenue do not appear to be indicative of a significant upward trend sufficient to cause a different outcome in this case.

Even so, economic factors are just one of several factors that the Postal Service considered in arriving at the final determination with respect to the Burnt Prairie Post Office. Economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). Item 47, FD at 8; Item 41, Revised Proposal at 9. In the end, the Postal Service determined that rural carrier service is more effective than maintaining the Burnt Prairie postal facility and postmaster position. Item 47, FD at 8. The Postal Service's estimates are supported by record evidence, and are in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on September 30, 2007.⁴ A non-career employee was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the non-career employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby postal facility. Item 47, FD at 7, 9. However, no other Postal Service employees will be adversely affected. Id. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Burnt Prairie Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Burnt Prairie Post Office on the provision of postal services and on the Burnt Prairie community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to

the vacant postmaster position.

⁴ In the Participant Statement, Petitioner notes that the Postal Service mistakenly indicated that the postmaster will be reassigned on September 30, 2007 in one of its documents, <u>see</u> Item 33 at 7, and then in another document states that the postmaster retired on September 30, 2007, <u>see</u> Item 41 at 9. Item 41 is the Revised Proposal and contains the accurate information. Petitioner acknowledges this fact himself when he states in the Participant Statement that the person who has operated the Burnt Prairie Post Office for the last several years in not a Postmaster, but rather a Rural Letter Carrier, who has been filling

provide effective and regular service to Burnt Prairie customers. FD at 9. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Burnt Prairie Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Burnt Prairie Post Office be affirmed.

Respectfully submitted,

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